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DEPARTMENT OF STATE

Memorandum of Conversation

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SUBJECT: Federal German Defense Minister Strauss' Meeting with Deputy  
Secretary of Defense Quarles

PARTICIPANTS: Mr. Quarles  
Mr. Irwin, Assistant Secretary of Defense, ISA  
Maj. Gen. Guthrie, ISA  
Mr. Weaver, Director, Foreign Programs, R and E  
Mr. C. A. Rowe, ISA  
Dr. Macauley, Deputy Director R and E  
Maj. Gen. Thatcher, MAAG Bonn  
Mr. Barringer, ISA  
Mr. Devine, Department of State

~~CONFIDENTIAL~~

APR 28 1959

Minister Strauss  
Maj. Gen. Panitzki  
Col. Repenning

Brig. Gen. Von Schleinitz, German Embassy,  
Washington, D. C.  
Brig. Gen. Von Tempelhoff, German Embassy,  
Washington, D. C.

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by Mr. Stackhouse (26)

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After welcoming remarks by Mr. Quarles, Minister Strauss referred to a letter he had received from Mr. Quarles stating that the earlier arrangement for assigning three U.S. F-104 squadrons temporarily to Europe could not be followed through. He said he hoped that even if the original plans could not be carried out there would be some possibility of sending F-104 squadrons to Europe on a rotational basis. Their presence would be of great assistance to the German Air Force in its F-104 training program. Mr. Quarles said that he would be glad to look into this possibility but since Minister Strauss would be talking to the Air Force it might better be taken up at that time. He also said that the U.S. was giving some consideration to sending F-104s to countries in Europe other than Germany and perhaps some usefulness to the German Air Force could be found if such assignments take place. Minister Strauss explained that for a certain period the Germans would have a great problem with the F-104's in respect to training, logistics, and servicing and even the temporary assignment to Europe of U.S. units could be of great assistance. General Guthrie said that the possibility of F-104s being supplied to any country under MAP was still doubtful and that even if it were done it would not be before 1962.

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Minister Strauss said that it was his hope that an F-104 training program could be established in the U.S. for German crews with the thirty trainer planes which were to be supplied under the recently-signed purchase agreement. His aim was to have units flying in the F-104s by the end of 1961. Sixty-six F-104s would come from the Lockheed plant in California, and following that the planes will come from production in Germany. Minister Strauss said he felt confident that the F-104 could be developed to have all-weather capability and that he hoped that the German development program with Lockheed could be assisted by the Air Force. Mr. Quarles said the Air Force would certainly be willing to assist by passing on to the Germans the results of any development work it did. Minister Strauss said that he hoped that the development the Germans desired could be supported by the U.S. Air Force although he realized the basic arrangements would be between the Germans and Lockheed and that the Air Force could assume no direct responsibility. He said that while the subject of the contract had been under discussion in Germany, manufacturers other than Lockheed had tried to throw cold water on the possibilities of developing the F-104 into an all-weather plane.

Mr. Quarles recalled that he had told Minister Strauss in Bonn that he was embarking on big undertaking in deciding to manufacture the F-104 in Germany and that we would be as helpful as we could. He added that if from time to time we give the Germans information that is discouraging they should realize that we are doing so in their interest.

Mr. Irwin asked when the first of the rotating U.S. F-104 squadrons would be needed and Minister Strauss replied that the spring of 1960 was what he had in mind.

#### WAR-TIME SUPPLIES

Minister Strauss then turned to the problem of supply to the German Armed Forces in times of emergency. He asked if a joint U.S.-German Committee could be set up so the Germans could have available to them a procedure for buying quickly in time of emergency and not be bound by the ordinary purchasing arrangements. He said that he had been trying to make arrangements with the Danes for use of certain of their depots for emergency supply of German troops east of the Elbe but that the Danes had not yet agreed. Mr. Quarles said that he assumed that the French would have no objections to our making an agreement to supply the Germans in time of emergency from our depots in France. Mr. Quarles went on to say that assuming that the French did agree we would be willing to work out a system for putting our materiel at the disposal of the Germans. He said that there appeared to be no political barriers, only logistical ones. Minister Strauss then asked if his suggestion for a committee were adopted whether the committee should work in Washington, Paris or MAAG Bonn. Mr. Quarles said that he thought it ought to begin its work in MAAG. Mr. Irwin then said that the Joint Chiefs of Staff were now

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studying this problem and when they have reached a decision, their ideas could be made available to the Committee which Minister Strauss had suggested. [REDACTED]

#### ATOMIC ENERGY INFORMATION

Minister Strauss then referred to the 114b Atomic Energy Information Agreement which is now under negotiation between the U.S. and Germany. He repeated his statement made to Dr. York that it did not offer as much as the revised McMahon Act allowed us to offer. He said the Germans were particularly interested in information on

- a) small power reactors for use with armies in the field
- b) nuclear propulsion for small vessels.

He said that the Germans wanted the necessary technical information so that they could evaluate whether or not to try to develop nuclear power systems for small vessels. Mr. Quarles said that getting the information which Minister Strauss wanted was mainly a matter of timing and procedure. The draft agreement which the Germans recently received refers only to Section 114b of the Atomic Energy Act. He said that the Minister's request related to Section 114c the administration of which is mainly the responsibility of the Atomic Energy Commission. He explained the process of approval of any negotiated agreements by the Department of Defense, Atomic Energy Commission and the Department of State and stated that after approval such agreements went to the President and Congress. He said that the Departments must certify to the President that the action will not impair national security. Mr. Quarles said that the U.S. Government wants to get the 114b Agreement out of the way before the opening of the May 11 Foreign Ministers' Conference. For that reason he recommended that the U.S. and Germany proceed with the 114b Agreement as now formulated. He said that the Department of Defense would be willing to approve negotiation of a 114c Agreement separately. This additional agreement probably could not make the 60-day deadline in connection with this session of Congress. Minister Strauss said that such an arrangement would suit him. Mr. Quarles said that General Loper was in Bonn and that perhaps a message should be sent to him informing him of Minister Strauss' request and of the advice that he had been given. Minister Strauss said that he would also send a cable to his people in Bonn.

#### GERMAN EQUIPMENT NEEDS

Minister Strauss then went through a list of several items concerning which the German forces were in short supply and on which they wished assistance from the U.S. He mentioned their need for 120 Type-Mark 37 anti-submarine torpedoes. He said that he had been informed there was an 18 months delivery time on this item and wondered whether it could be speeded up. He then asked about the M-26 hand grenade which the Bundeswehr

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Bundeswehr had been considering for a long time and had finally decided on. He said that he hoped Germany could get the specifications now and proceed to production in Germany or in a third country. He said he thought there might be a classification problem in this connection but would be grateful if Mr. Quarles could look into the matter.

Minister Strauss next mentioned that the 203mm Howitzer, the Honest John, the Matador and the planes were all coming to Germany with nuclear capability. He had heard that the U.S. was introducing a 175mm dual-capability artillery piece for its forces in Europe but that it would not be available to the Allies. He said that he felt this was unfortunate since artillery now in the hands of Soviet and satellite troops had longer range than that available to the Allies. Mr. Quarles replied that he recalled that this problem had been discussed during his visit in Bonn and that he was not enthusiastic about the use of artillery for firing nuclear ammunition because the Honest John and Little John missiles are more mobile and a cheaper means of delivering a warhead. He said the U.S. has tried to play down the use of cannons although it is using some. Minister Strauss said he understood the 175mm dual-capability cannon has a range of 32 kilometers whereas their present equipment has a range of only 20 kilometers. Mr. Quarles said that the U.S. would study the problem but that we didn't want to manufacture much of the cannon ammunition for reasons of economy. He agreed to put all the facts before the Germans and let them decide.

Minister Strauss said that the Honest John program is underway and that the Germans had accepted the letter of offer and training was going ahead. He said that under MC-70 the German long-range program in this sector will probably be based on the Sergeant missile. He said that MC-70 calls for one unit of Redstones and one of Pershings but the Germans have not yet decided whether to acquire them. Minister Strauss said that one thing he had discovered was that it takes a long time after deciding on a weapon to carry out the training program. He hoped it would be possible to initiate training programs as far as possible in advance so that when the weapon was available it would become operational quickly. Mr. Quarles said that he agreed with Minister Strauss' point and that he thought it would be best if the Germans sent technical groups to the U.S. to decide on weapons programs and after the decision was made the U.S. could be of assistance in getting the training started promptly. Minister Strauss said that the German study group on missiles had just finished its survey and would make its proposals shortly. He said he had been advised that the survey group had decided that the Sergeant missile is best for German use and it could be in operation in early 1961. The Germans would like to join in the U.S. program for training instructors at Huntsville and for technicians at Fort Sill. The Germans plan 12 launchers for a German corp program with the first launcher to be in position in late 1960. Mr. Quarles asked if the Germans have already set up a training program with the U.S. Army and Minister Strauss answered that it had not yet been proposed through MAAG.

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Mr. Quarles then said that he was glad to be able to tell Minister Strauss in response to his earlier question that the specifications for ammunition manufacture by Turkey had been released as of April 1.

Minister Strauss then said that he suspected that the Russians had made important advances in the means of chemical warfare and that the Germans would like to know what the U.S. had developed in the way of defensive materials and equipment. He said that the German equipment along this line was obsolete. Mr. Quarles said that R and E would look into this matter and expect a request from the Germans through MAAG.

Mr. Quarles said that in general he regarded the questions which Minister Strauss had raised as an indication that the German Armed Forces are really rolling.

#### UNIFIED AIR DEFENSE SYSTEM

Mr. Quarles then said the U.S. was concerned about the development of an air defense system in Europe which would have to be NATO-wide to really be effective. He said he understood there were still problems to be ironed out on the choice of equipment and he hoped that the matter would be settled soon. Mr. Quarles said he supposed the Germans would want to manufacture some of their own air defense equipment, although he would urge them to purchase as much as possible from Canada which had established a special relationship with the U.S. in this field because of the air defense system for North America. General Thatcher said that the Germans are taking over air defense equipment and systems at U.S. installations in Germany and that they want to follow-up on our modernization schedule but are confused by the conflicting RCA and General Electric claims regarding their respective equipment. Mr. Quarles said that he agreed that the Germans should have an answer to their question about which equipment is more desirable, but that a complication had been the French unwillingness to join in the plans. He said he would ask SACEUR and the research center at the Hague to be sure that when the decision is made that it is a planning decision and not a commercial decision. Minister Strauss said that diplomatic pressure should be applied to the French to get them to join the NATO air defense system. He said the Chancellor had brought the matter up with General DeGaulle but there were no conclusive results. Mr. Macauley said that through ADTC and special research teams we had tried to settle this problem of equipment for air defense systems but that no decision has been reached. However, all were agreed that compatibility of equipment was essential. Mr. Quarles said that this must be a SHAPE decision with help from various sources. General Thatcher said that the Germans because of their earlier clearance for secret and top secret material in this field have done a more complete analysis of the problem and are further along toward a decision than the other Western European countries.

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### WEU RESTRICTIONS ON GERMANY

Minister Strauss then referred to the WEU limitations on German production of military items. He said that the WEU standards were fixed almost ten years ago on such equipment as torpedoes, mines, and ships and that they are now out of date. The WEU, he said, has been very slow in responding to German requests for lifting of individual restrictions and that in many instances, by the time an answer is received, the proposal is obsolete. He said he hoped that the U.S. could use diplomatic and other means to assist the Germans in this situation. Mr. Quarles said he understood the German problem and that he assumed Minister Strauss would raise this matter when he meets with State Department officials. Mr. Quarles said he understood the Germans until now have proceeded on case by case basis in regard to WEU exceptions and that they have the impression that certain countries are dragging their feet. He said this was not his impression but that there had been unavoidable administrative delays. He said that although we are not in WEU, we do advise SACEUR when our advice is requested and we would suggest to him agreement on a case by case basis. He also said that the Germans have not always played an expeditious role in this connection. Minister Strauss said he could not agree with Mr. Quarles' statement about other countries. He said that, for instance, in the development of the Cobra light anti-tank weapon, the application for German approval to go ahead with development was delayed by a French Colonel in SHAPE for six months on the basis of need for standardizing on a French weapon. He then mentioned a German application to build a training ship slightly in excess of the WEU tonnage limit. He said the French finally agreed on condition that the cannons to be used on the ship not be over 100mm, which was an indirect way of assuring that the French artillery shells would be purchased. He said similar difficulties had been encountered with the British in connection with the Bloodhound missile. Minister Strauss said that <sup>when</sup> the Germans had delayed projects it was because of the concern of the Foreign Office not to offend other countries. Mr. Quarles said that he was glad to have this additional information.

### NATO PROJECTS

Mr. Quarles referred to Air Defense Technical Center in The Hague, the Aero Center in Brussels, and La Spezia Anti-Submarine Center in Italy. He said we had helped all three financially but we think they should be moved over to NATO-sponsorship as soon as possible. Minister Strauss said that he agreed entirely that they should be commonly funded. He said that German objections to common funding had been restricted to missiles and missile sites, because such funding would put an unfair and disproportionate burden on the Federal Republic. Mr. Quarles said that in connection with missiles, we continue to think that infrastructure funding methods should apply to sites except in cases where host countries were financially unable to absorb the costs. Minister Strauss said that

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funding the Belgian, French, UK as well as U.S. sites would be too great a financial load for the Federal Republic.

Mr. Quarles said he understood that agreement had been reached among the NATO countries on the production of the Hawk. Minister Strauss said that was true and the Germans had renounced their legitimate manufacturing percentage to France in the interest of harmony. Mr. Quarles said that our anti-submarine sea-search plane had also been agreed for NATO production. He said that we have continued to explore the possibility of NATO production of a second generation of IREM's but one or two countries want freedom to use the missiles according to their own plans rather than have use controlled by SACEUR. Mr. Meili recently visited Washington and told Mr. Quarles that perhaps the French could be persuaded to participate in the project if they were allowed to buy into production of the second generation IREMs after other participating countries' needs were filled. In such a case the French would have freedom of use. Mr. Quarles said that a workable plan must be found since there was no point in putting money into the development until the plan had been generally agreed. He said the U.S. would expect to help with information and perhaps with some orders. He said we might put funds in early which would be credited later for delivery of IREMs to Greece and Turkey, for instance. He said that Meili is still not sure that the project can be made workable politically and financially. Minister Strauss said he felt the British would not take part in this project since they have their own product. Mr. Quarles said that the 1957 Foreign Ministers' Agreement had provided that country missiles would be subordinated to SACEUR control. He said he thought the British would be willing to buy into the NATO product if they could be allowed to have freedom of deployment.

Mr. Macauley then said that in connection with the anti-submarine center at La Spezia, the United States is counting on Germany to assist in supplying some of the scientists. He said that we were very anxious to see this program move ahead. Mr. Macauley said that scientists in German commercial firms could be especially helpful and that he hoped the German Government would encourage such scientists to join the La Spezia program.

The discussion was then adjourned.

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